Nomination on the Board of Directors of IFCI

*387. SHRIMATI SAROJ DUBEY:
SHRIMATI SARLA MAHESHWARI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are contemplating to nominate Directors from Ministry of Commerce and Industry and Reserve Bank of India in place of private directors on the Board of Directors of the Industrial Finance Corporation of India Limited (IFCI); and

(b) if so, the details thereof?

THE FINANCE MINISTER (SHRI JASWANT SINGH): (a) No, Sir.

(b) Does not arise.

Foreign Exchange options market

*389. SHRI VAYALAR RAVI:
DR.T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether launch of a foreign exchange options market in the rupee on 7th July, 2003 has helped deepen overseas investors' interest in the country;

(b) if so, whether this would offer them a more flexible means of hedging currency risk;

(c) whether most investors have been content to leave their currency exposure unhedged to cash in on rupee gains in recent times; and

(d) if so, to what extent this decision has helped more foreign investment?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) According to the RBI, since rupee-foreign curreency options have been permitted with effect from July 7, 2003, it is still early to gauge the impact on overseas investor interest in the country.

(b) the product complements the spot and forward foreign exchange market to provide an additional hedging tool for market participants. The product also protects against downside risk while keeping the upside fully